



PAN AFRICAN
RESOURCES
PLC

RESULTS PRESENTATION

for the year ended 30 June 2018

PROFITABLE • SUSTAINABLE • STAKEHOLDERS • GROWTH

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MISSION STATEMENT

To be the safe, low-cost and sustainable mid-tier gold producer of choice





THE AFRICAN-FOCUSED
GOLD PRODUCER

↓ CORE

DEPTH
56.34

PRESENTATION SUMMARY



- 2018 challenges, remedial actions and results
- Repositioned for sustainability
 - › Asset portfolio
 - » Long-life, low-cost tailings retreatment operations
 - » Barberton Mines underground mining
 - › ESG
 - › Financial
- Value-accretive growth
- Key 2019 deliverables



2018 CHALLENGES, REMEDIAL ACTIONS & RESULTS

Cobus Loots
CEO

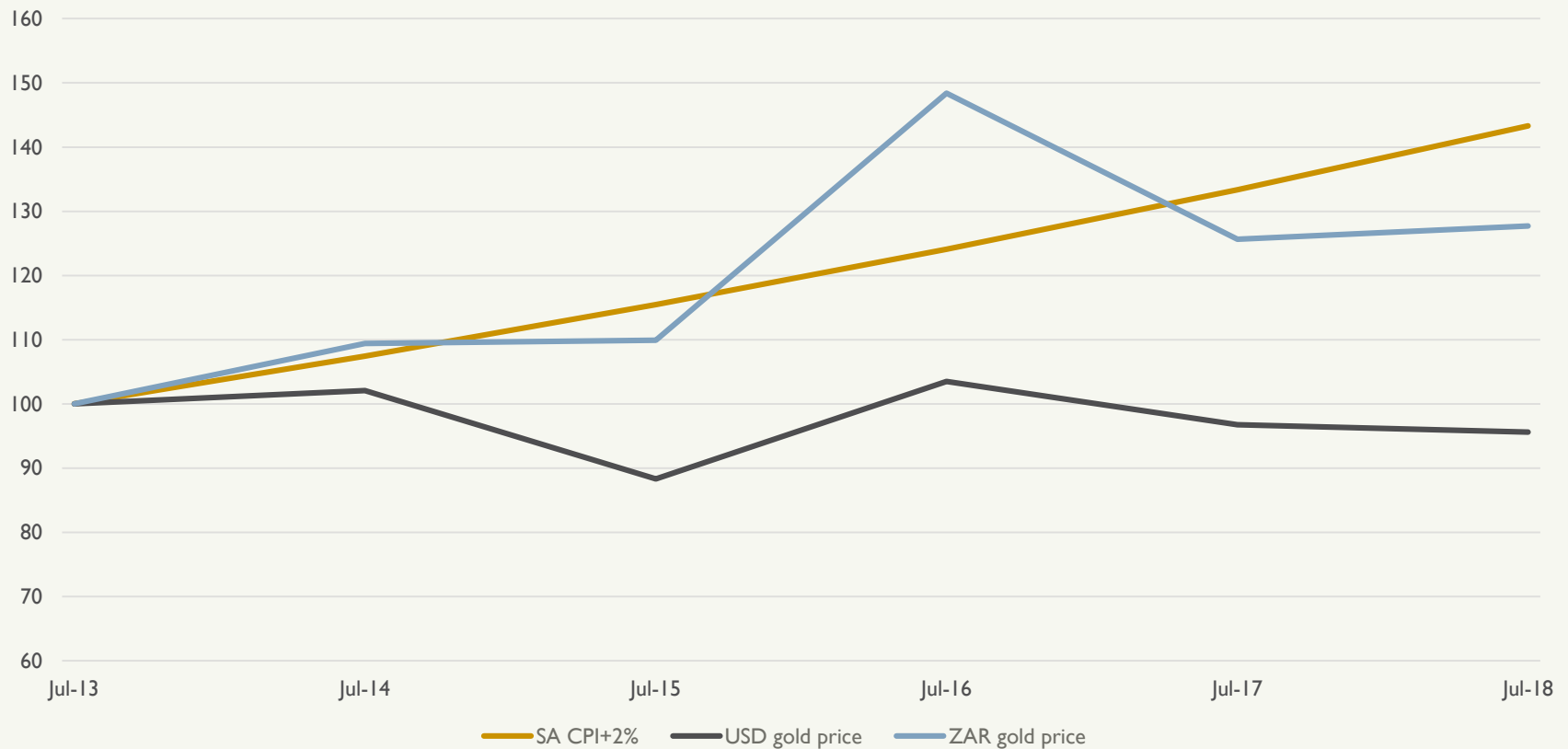
2018 CHALLENGES



USD and ZAR gold price – flat gold price with increasing costs

Relative performance rebased to 100 (USD and ZAR gold price as well as SA CPI)

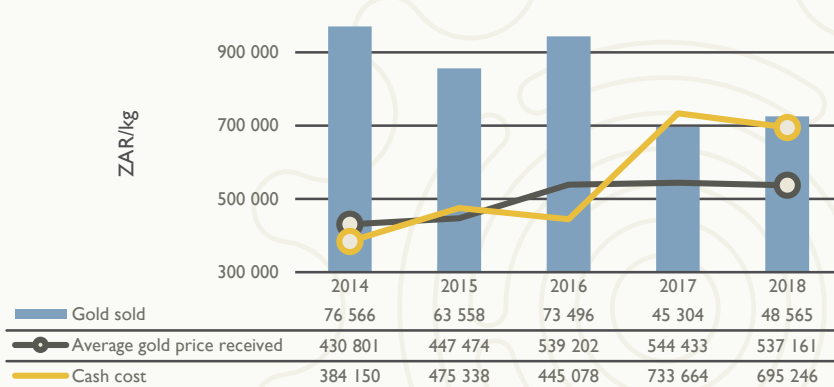
USD/ZAR Gold price and SA CPI+2%



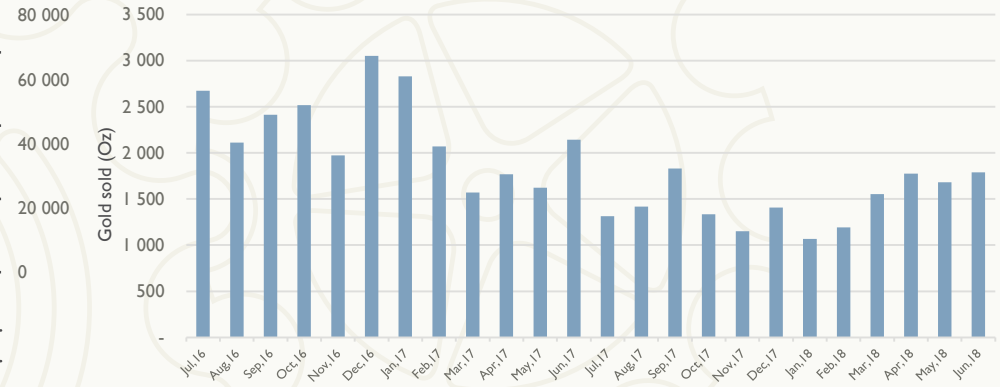
2018 CHALLENGES



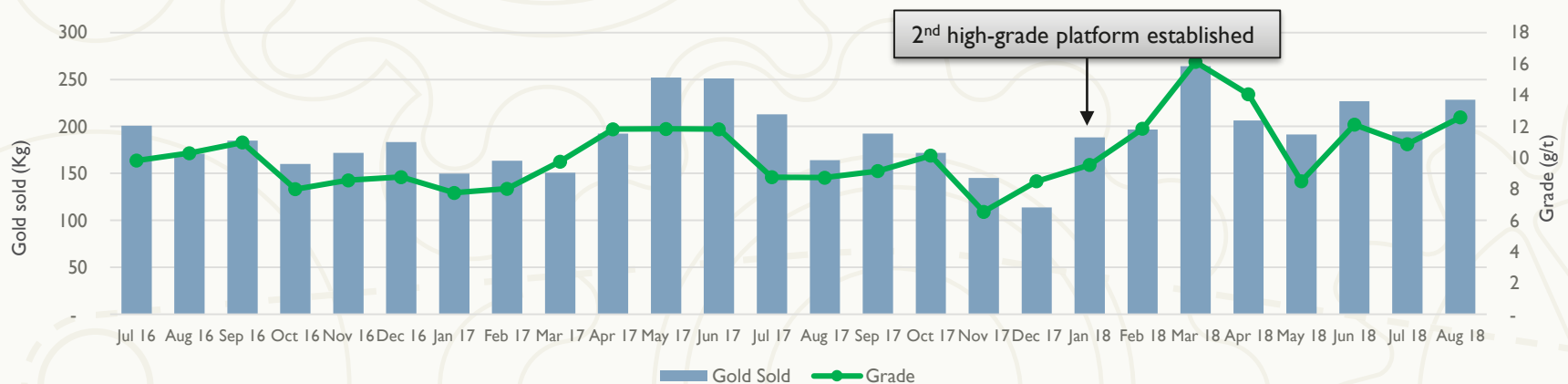
Evander 8 Shaft UG operations unsustainable



BTRP production hampered by processing difficulties



Barberton Mines' lack of underground mining flexibility compounded by community unrest



2018 CHALLENGES

Pan African strategy

- In early 2018, business was unsustainable given prevailing ZAR gold prices and SA deep level mining environment
 - › Loss making Evander underground operations exponentially increased group risk profile
- Key Pan African strength – ability to expedite decision making, and execute well into strategy
- The Group has a track record of successful project delivery, specifically low-cost tailings retreatment operations
- Repositioning – Not only be the lowest cost SA producer, but also internationally competitive and relevant
- Investors have a multitude of investment opportunities, therefore repositioned group had to be attractive in terms of:
 - › Safety
 - › Sustainability
 - › Profitability
 - › Dividends
 - › Growth

2018 CHALLENGES

Remedial actions and results

Continued focus on safety



Curtailed unprofitable ounces – Evander underground



BTRP regrind mill commissioned



Barberton Mines underground flexibility improved



Elikhulu commissioned

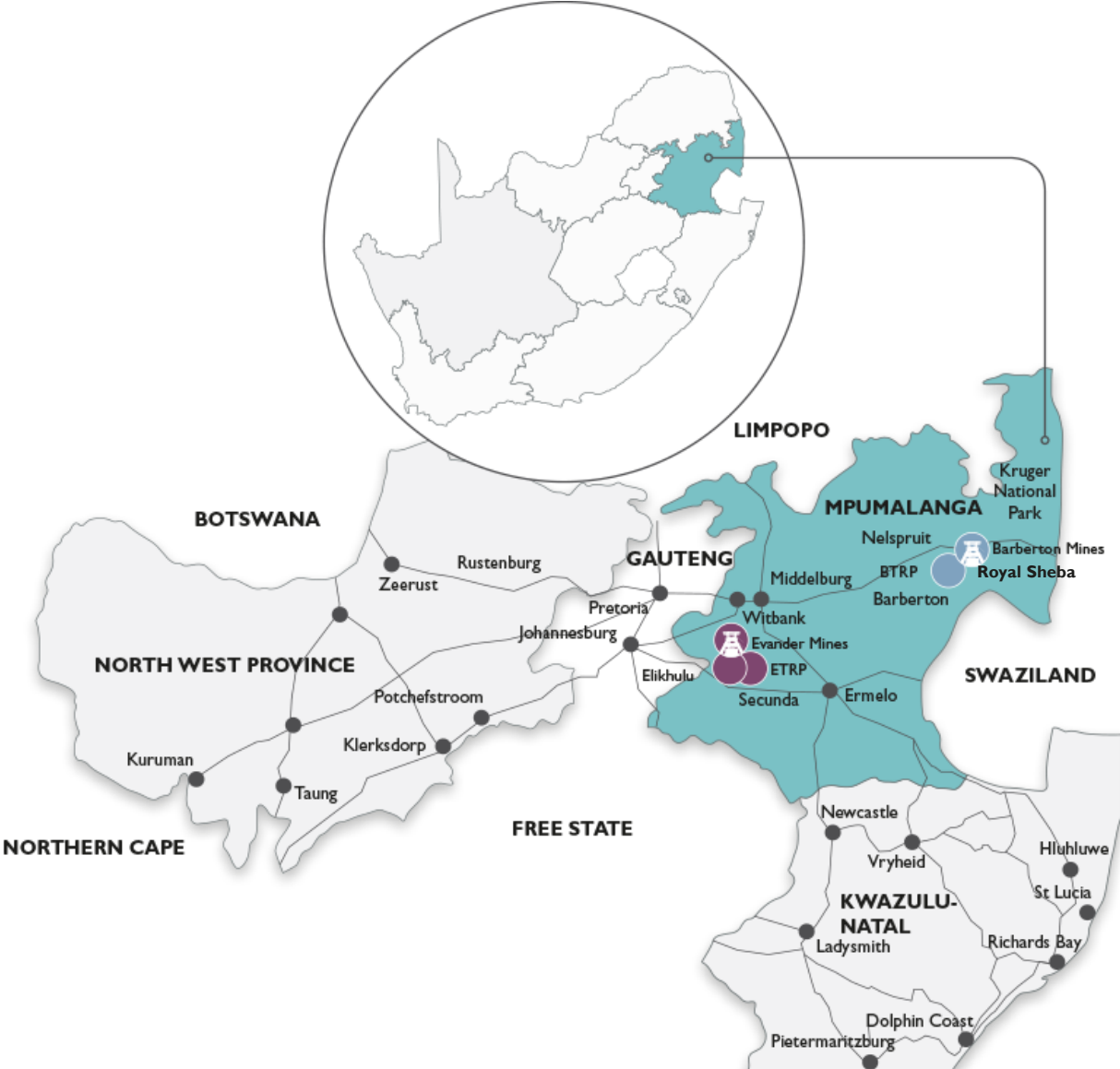


“Safer, more sustainable and much more profitable”

REPOSITIONED FOR
SUSTAINABILITY



GEOGRAPHICAL MAP

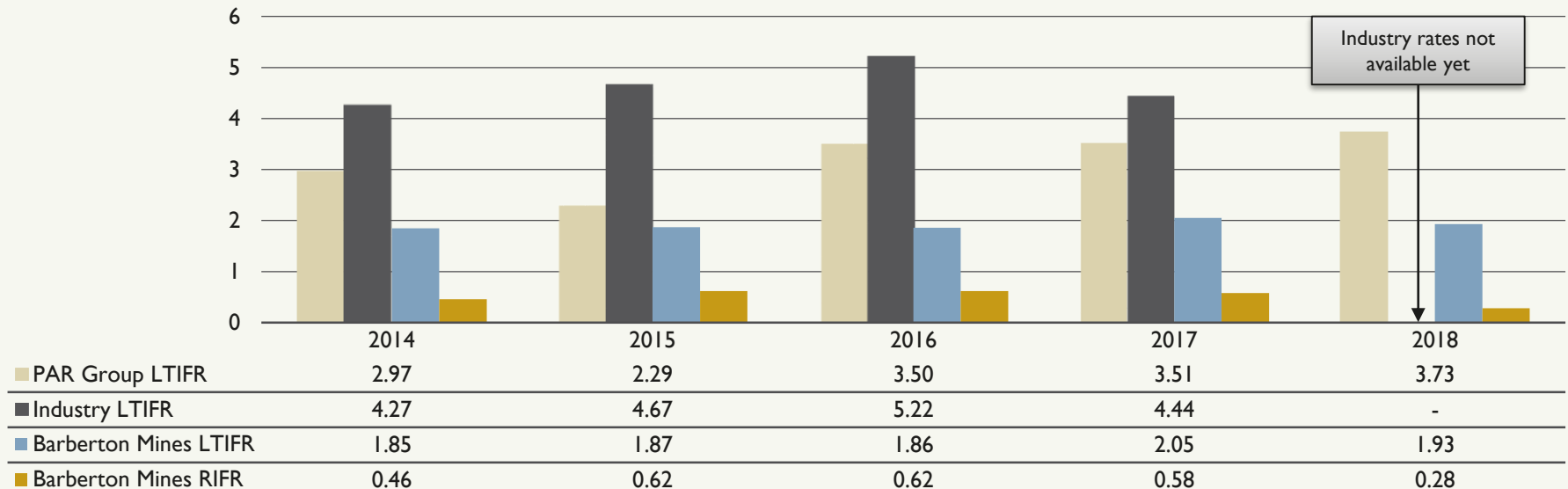


GROUP SAFETY



Industry leading safety record

Per million man hours



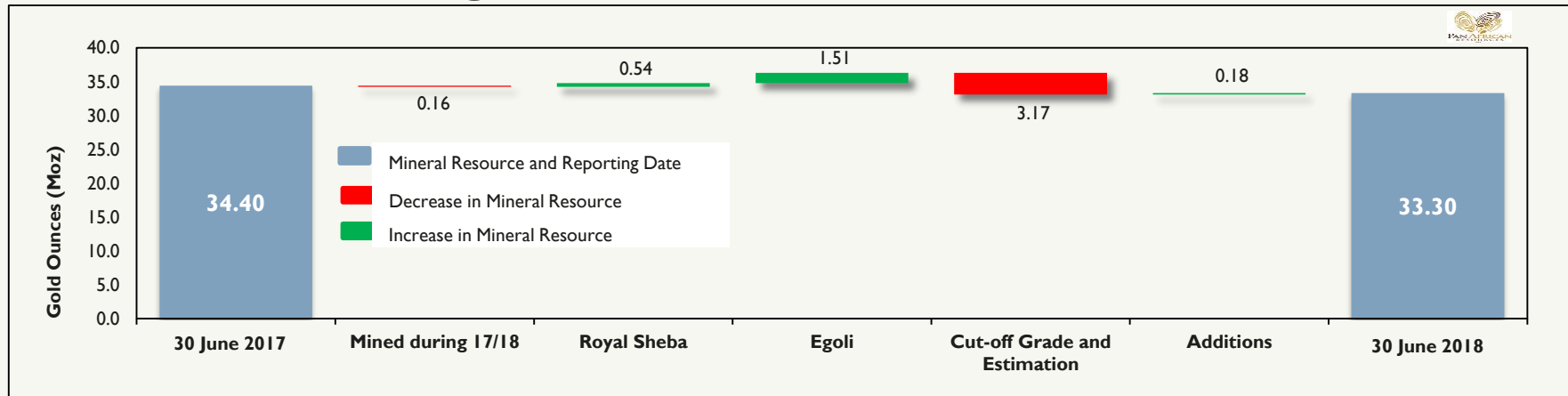
Notwithstanding the fact that injury rates are well below industry average, we continuously strive to improve on our safety rates and achieve our aim of zero harm to our employees

RESOURCES AND RESERVES

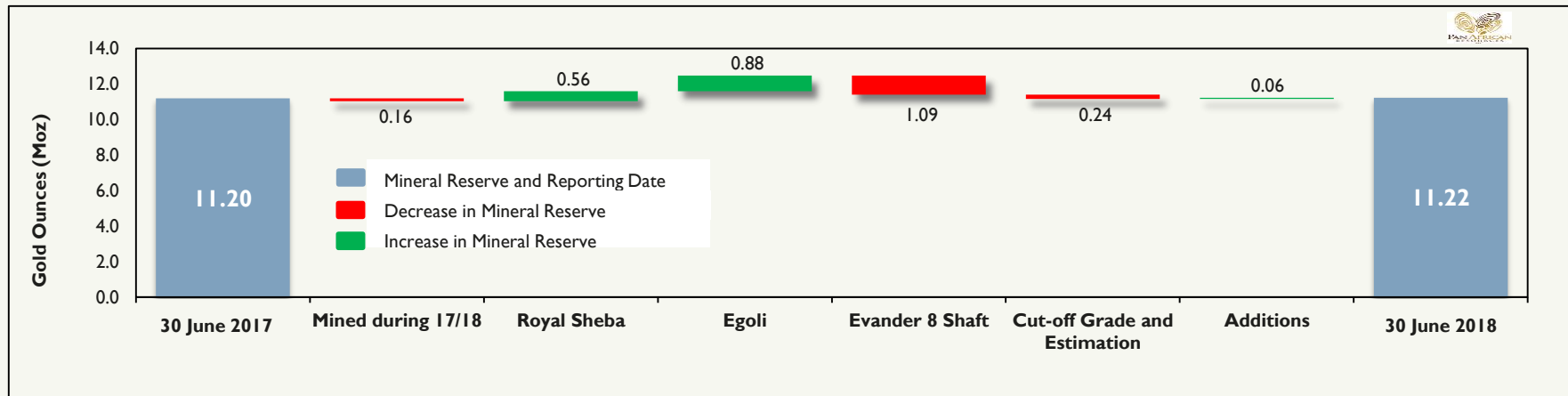


Robust reserves and resources statement demonstrates ability to replace depleted ounces and increase production

Resource reconciliation – gold ounce



Reserve reconciliation – gold ounce



In determining the group's reserves and resources, gold reserves were modelled at R525,000/kg and gold resources at R600,000/kg

LONG-LIFE, LOW-COST TAILINGS RETREATMENT OPERATIONS



LONG-LIFE, LOW-COST TAILINGS RETREATMENT OPERATIONS

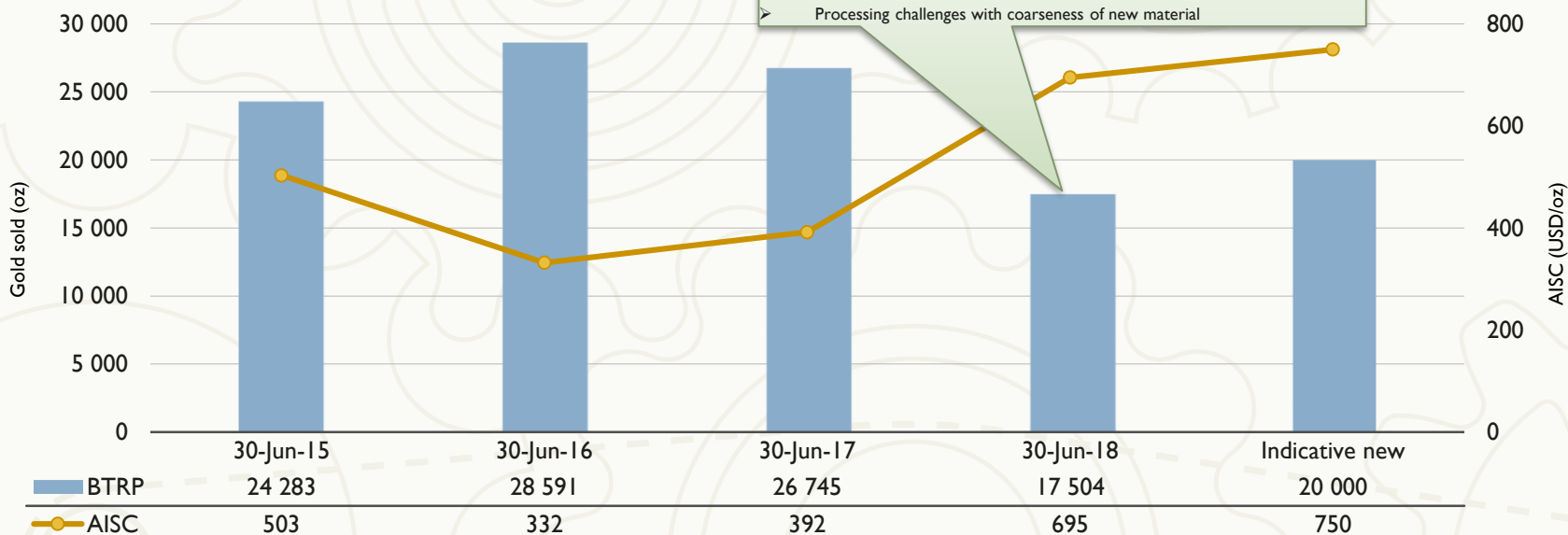
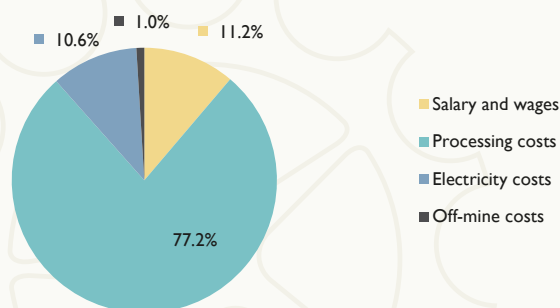


Gold tailings retreatment operations

Barberton Tailings Retreatment Plant

- Commissioned in July 2013, initial capital outlay of ZAR326 million (~USD37 million), paid back in 18 months
- Regrind mill performing according to expectations
- LOM of 11 years
- Lower grades compensated by increased tonnage throughput
- AISC forecast at USD750/oz (@\$/R15.00)

BTRP Operating Costs - Current Year



LONG-LIFE, LOW-COST TAILINGS RETREATMENT OPERATIONS

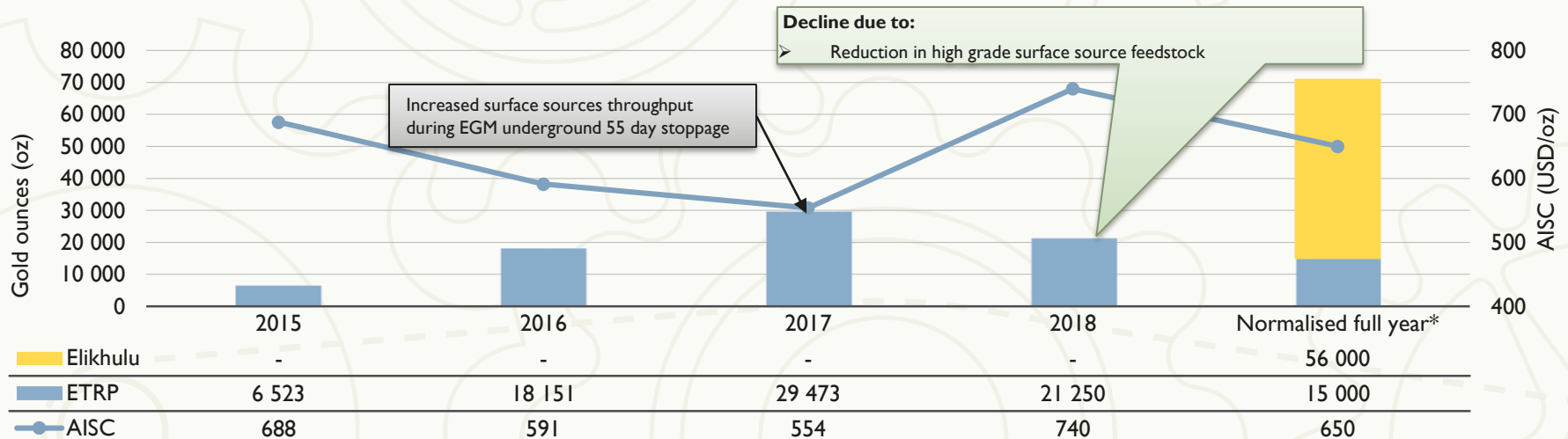
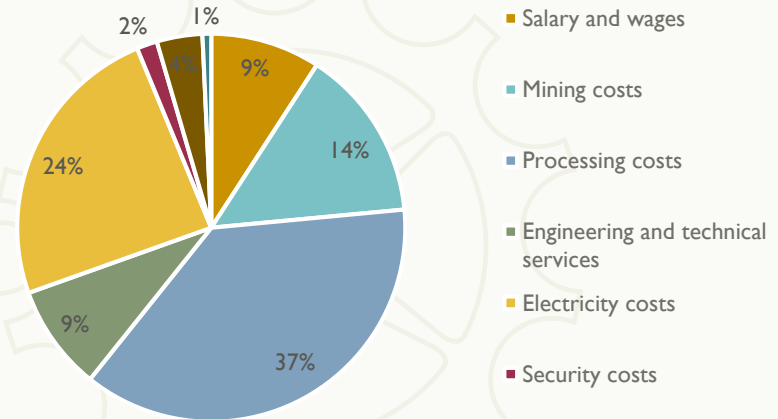


Gold tailings retreatment operations

Elikhulu Tailings Retreatment Plant (Currently in final commissioning phase)

- Capital of ZAR1.43 billion (~USD95 million) spent up to 30 June 2018 – calculated payback period of 4 years post commissioning
- Forecast production of 56,000oz p/a in first 8 years with a LOM of 13 years
- AISC forecast at below USD650/oz (@\$/R15.00)
- ETRP's throughput to be incorporated into Elikhulu – December 2018 @ R65 million capital spend

Elikhulu operating costs - forecast



* Excluding other surface sources/tolling through current Kinross plant



BARBERTON MINES

High-quality and long-life

BARBERTON MINES – UNDERGROUND



Background

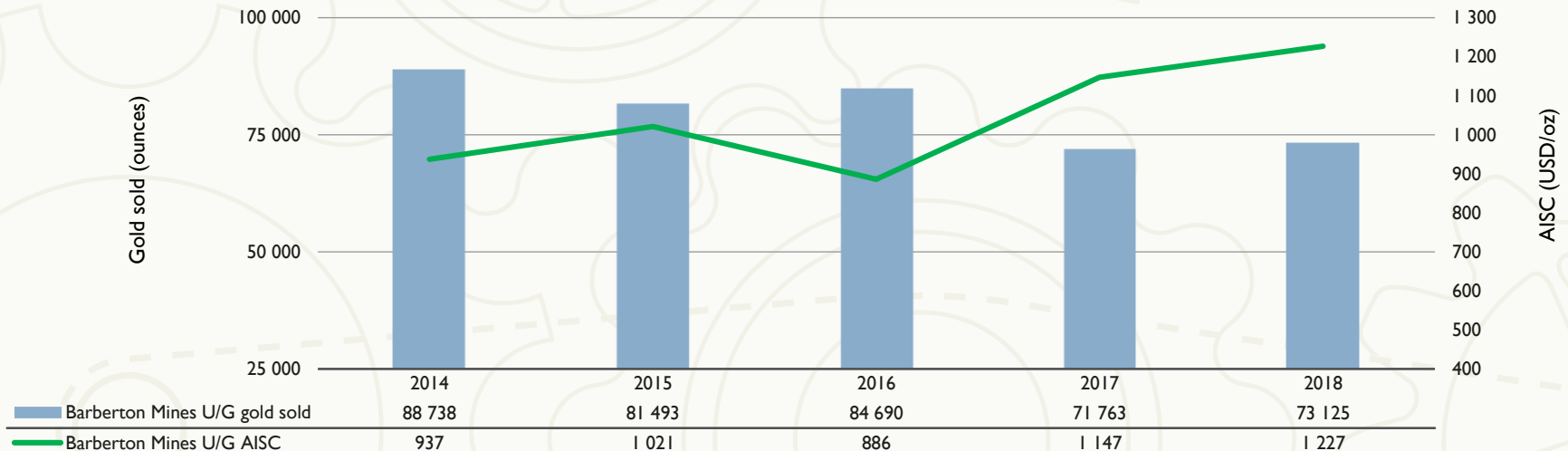
- Mining started in 1884 at Sheba Mine
- Currently there are 3 underground operations: Sheba Mine, New Consort Mine and Fairview Mine
- Approximately 22,000 ore tons are treated per month (Fairview @10,000t, Sheba @7,500t, Consort @4,500t)
- Combined gold production per month is approximately 200kg / 6,430oz
- All 3 operations have a concentrator plant with a centralised BIOX[®] plant

*BIOX developed at Fairview Mine in 1988

Gold from underground operations

- Average underground head grade in excess of 10g/t
- LOM of 20 years
- Forecasted production of approximately 80,000oz per annum from underground sources
- AISC forecast at below USD 1,000/oz (@\$/R 15.00) at 80,000oz production

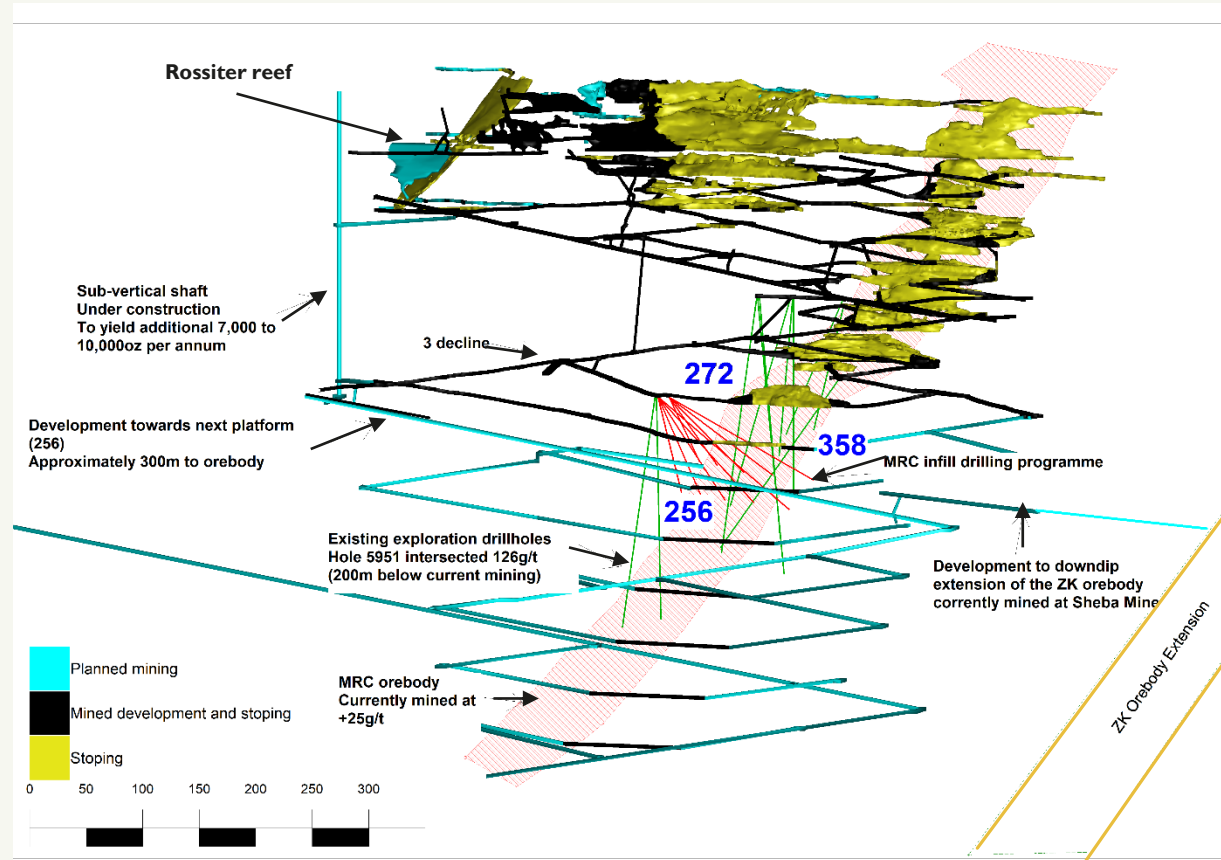
Underground production statistics



BARBERTON MINES – UNDERGROUND

Universe of opportunities

- Accelerated development plan to increase the number of platforms, i.e. mining flexibility on the high grade MRC.
- Sub-vertical shaft to improve logistics and material handling, freeing up 3 decline to hoist additional reef.
- Development started to access down dip extension of the ZK orebody (the main source of free gold at Sheba Mine).
- Up-dip extensions of the Rossiter Reef being developed yielding better than expected grades.





ESG

ENVIRONMENTAL, SOCIAL AND GOVERNANCE*



Group environmental responsibility

- Fully funded rehabilitation fund of R364.3 million
- BIOX® technology developed at Barberton
- Cyanide detoxification plants in place at all of the required operations
- Elikhulu tailings storage facility expansion lined in accordance with regulations
- Approved water-use licences at all operations

Governance

- King IV compliant
- External assurance – BDO, Deloitte, stock exchanges
- External legal compliance review on mining licences and documentation

Group social responsibility

- Group spend on CSI and LED initiatives amounted to R13.6 million during FY18
- Barberton Mines revamped a special-needs school in the Emjindini Township during FY18
- Barberton Mines involved in the construction of a community clinic in the City of Mbombela Local Municipality area during FY18
- Transformation trusts for Barberton Mines and Evander Mines generate additional funds to invest back into the community by encouraging its suppliers to contribute 1% of their contract value to these trusts
 - › Barberton Mines' Transformation Trust (BMTT) collected R1.2 million during FY18
 - › Evander Mines' Transformation Trust (EMTT) collected R600k during FY18
 - › R4.7 million collected from suppliers involved in the construction of Elikhulu, to be used for local economic development projects



FINANCIAL RESULTS

Deon Louw,
Financial Director

Summarised consolidated results

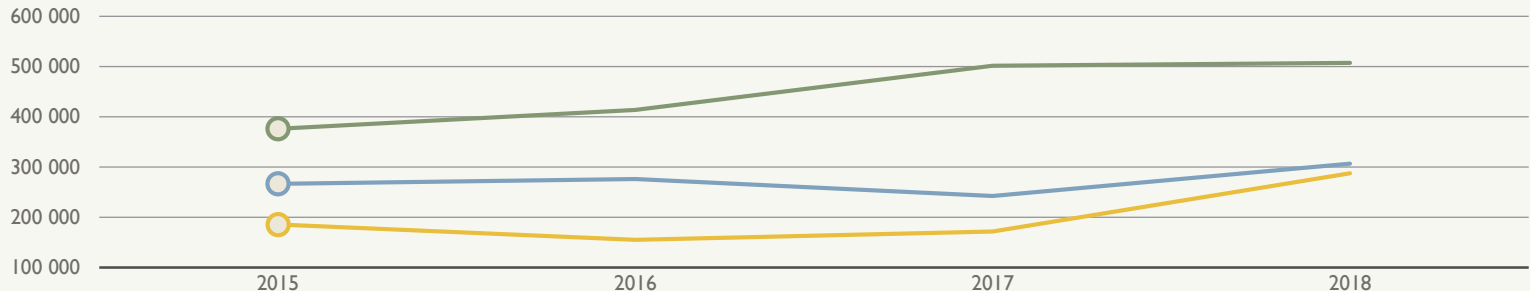
For the year ended 30 June 2018	For the year ended 30 June 2017	Metric	Salient features	Metric	For the year ended 30 June 2017	For the year ended 30 June 2018
4,990	5,390	(Kilogrammes)	Combined operations gold sold	(Oz)	173,285	160,444
1,873.9	2,158.2	(R millions)	Revenue – Continuing operations	(GBP millions)	125.1	108.5
538,100	542,773	(R/kg)	Average gold price received	(USD/oz)	1,242	1,301
480,439	430,863	(R/kg)	Cash costs	(USD/oz)	986	1,162
561,468	514,435	(R/kg)	All-in sustaining costs	(USD/oz)	1,177	1,358
614,713	540,693	(R/kg)	All-in costs	(USD/oz)	1,237	1,487
416.0	816.0	(R millions)	Adjusted EBITDA	(GBP millions)	47.3	24.2
(1,556.9)	309.9	(R millions)	Attributable earnings (Combined operations)	(GBP millions)	17.9	(93.3)
202.0	700.6	(R millions)	Attributable earnings (Continuing operations)	(GBP millions)	40.6	11.5
229.1	315.6	(R millions)	Headline earnings (Combined operations)	(GBP millions)	18.3	13.3
(86.03)	19.81	(cents)	EPS (Combined operations)	(pence)	1.14	(5.15)
12.66	20.17	(cents)	HEPS (Combined operations)	(pence)	1.17	0.73
1,623.6	67.6	(R millions)	Net debt	(GBP millions)	4.0	89.8
289.4	330.0	(R millions)	Total sustaining capital expenditure	(GBP millions)	19.1	16.8
1,650.2	613.1	(R millions)	Total capital expenditure	(GBP millions)	35.5	95.6
104.6	201.3	(cents)	Net asset value per share	(pence)	12.0	5.8
1,809.7	1,564.3	(millions)	Weighted average number of shares in issue	(millions)	1,564.3	1,809.7
12.86	13.59	(R/USD)	Average exchange rate	(R/GBP)	17.25	17.27
13.71	13.04	(R/USD)	Closing exchange rate	(R/GBP)	16.96	18.09

FINANCIAL SUMMARY – GROUP RESULTS



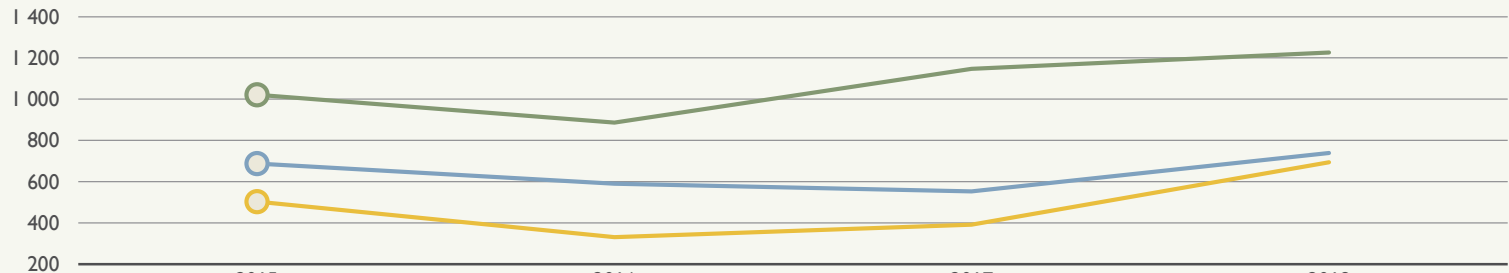
Costs as defined by World Gold Council

ZAR/kg



Barberton Mines U/G AISC	375 914	413 422	501 330	507 130
BTRP AISC	185 280	155 080	171 480	287 390
ETRP AISC	266 453	275 661	242 260	306 120

USD/oz



Barberton Mines U/G AISC	1 021	886	1 147	1 227
BTRP AISC	503	332	392	695
ETRP AISC	688	591	554	740

FINANCIAL SUMMARY – GROUP RESULTS



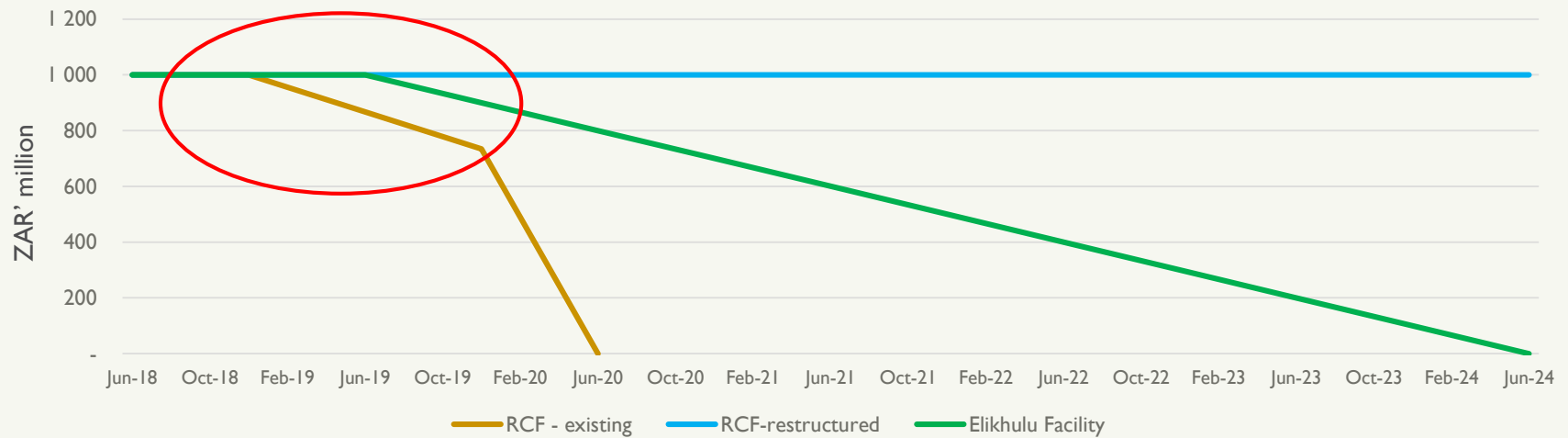
For the year ended 30 June 2018

Allocation of cash flows	ZAR	GBP
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxes from continuing operations	165,680,703	9,352,329
Net movement in non-cash flow items and discontinued operations	(148,901,696)	(7,454,558)
Operating profit before working capital changes	16,779,007	1,897,771
Changes in working capital	49,301,371	1,592,923
Cash generated from operations	66,080,378	3,490,694
Net finance costs and taxes paid	(119,317,577)	(6,691,069)
Net cash from operating activities	(53,237,199)	(3,200,375)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,601,748,768)	(92,747,468)
Net movement in other investing activities	(26,184,806)	(1,541,646)
Increase in long-term loans receivable	(6,500,000)	(385,160)
Net proceeds from disposal of Phoenix Platinum	89,000,000	4,788,036
Net cash used in/(from) investing activities	(1,545,433,574)	(89,886,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from loan finance	1,435,000,000	84,149,838
Net proceeds from disposal of treasury shares	149,384,572	8,945,091
Net movement in other financing activities	15,583,559	924,712
Dividend paid	(148,873,916)	(8,231,456)
Net cash from financing activities	1,451,094,215	85,788,185
NET CHANGE IN CASH AND CASH EQUIVALENTS	(147,576,558)	(7,298,428)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	160,223,562	9,447,144
Effects of foreign exchange rate change		(1,449,600)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12,647,004	699,116

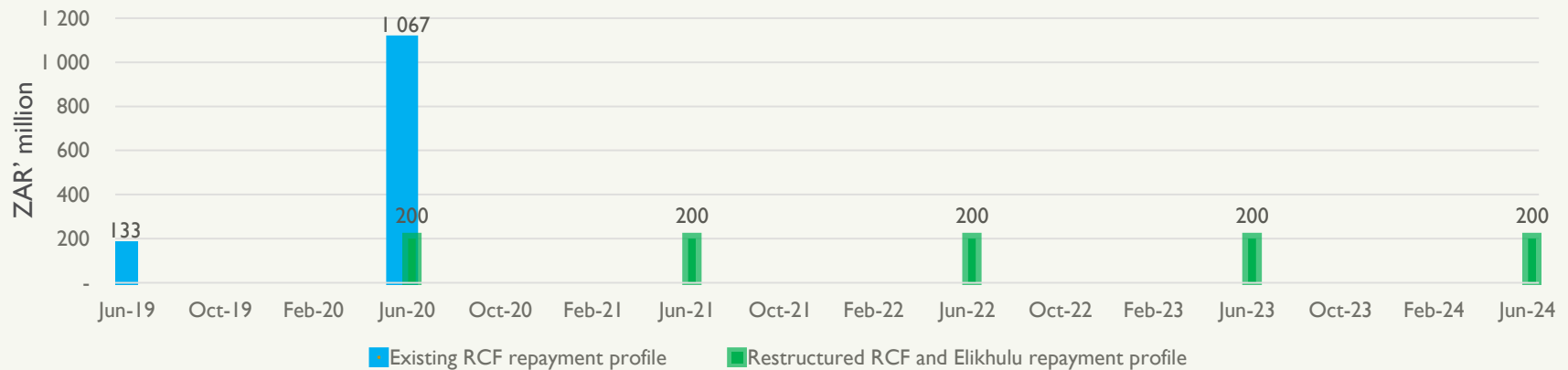
FINANCIAL SUMMARY – GROUP RESULTS



Senior debt – Amortisation profile



Senior debt – Repayment profiles



FINANCIAL SUMMARY – GROUP RESULTS

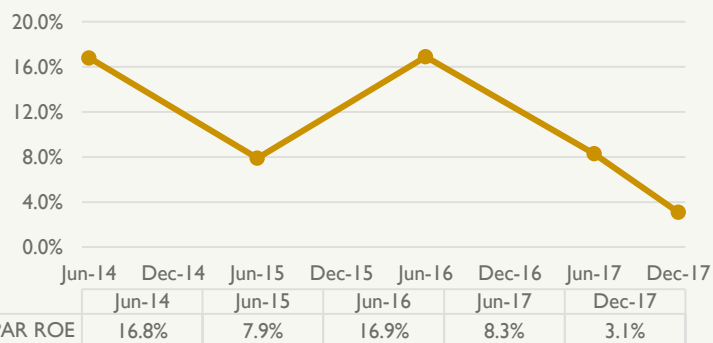


Impairment

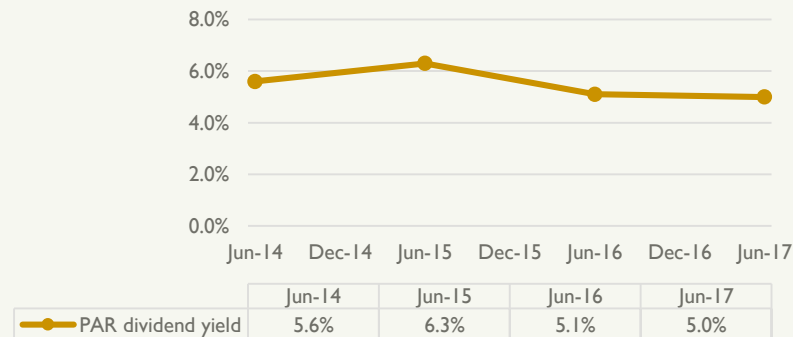
Impairment assessment (ZAR)	
	30 June 2018
Evander Mines asset base	4,075,567,591
Items excluded from the impairment	(2,294,447,715)
Elikhulu project	(1,435,233,971)
Land	(33,042,445)
ETRP pump station and Egoli project costs	(24,886,864)
Mining property (Rolspruit, Mini-Libra, Evander South, Poplar)	(801,284,435)
Impairment of the Evander Mines UG operations CGU	1,781,119,876

Valuation of Elikhulu and Egoli (ZAR)	
Elikhulu Tailings Retreatment Project (NPV - 9% real discount rate)	1,091,000,000
Egoli Project (NPV - 12.4% real discount rate)	1,036,000,000
Total	2,127,000,000

Historical ROE*



Dividend yield



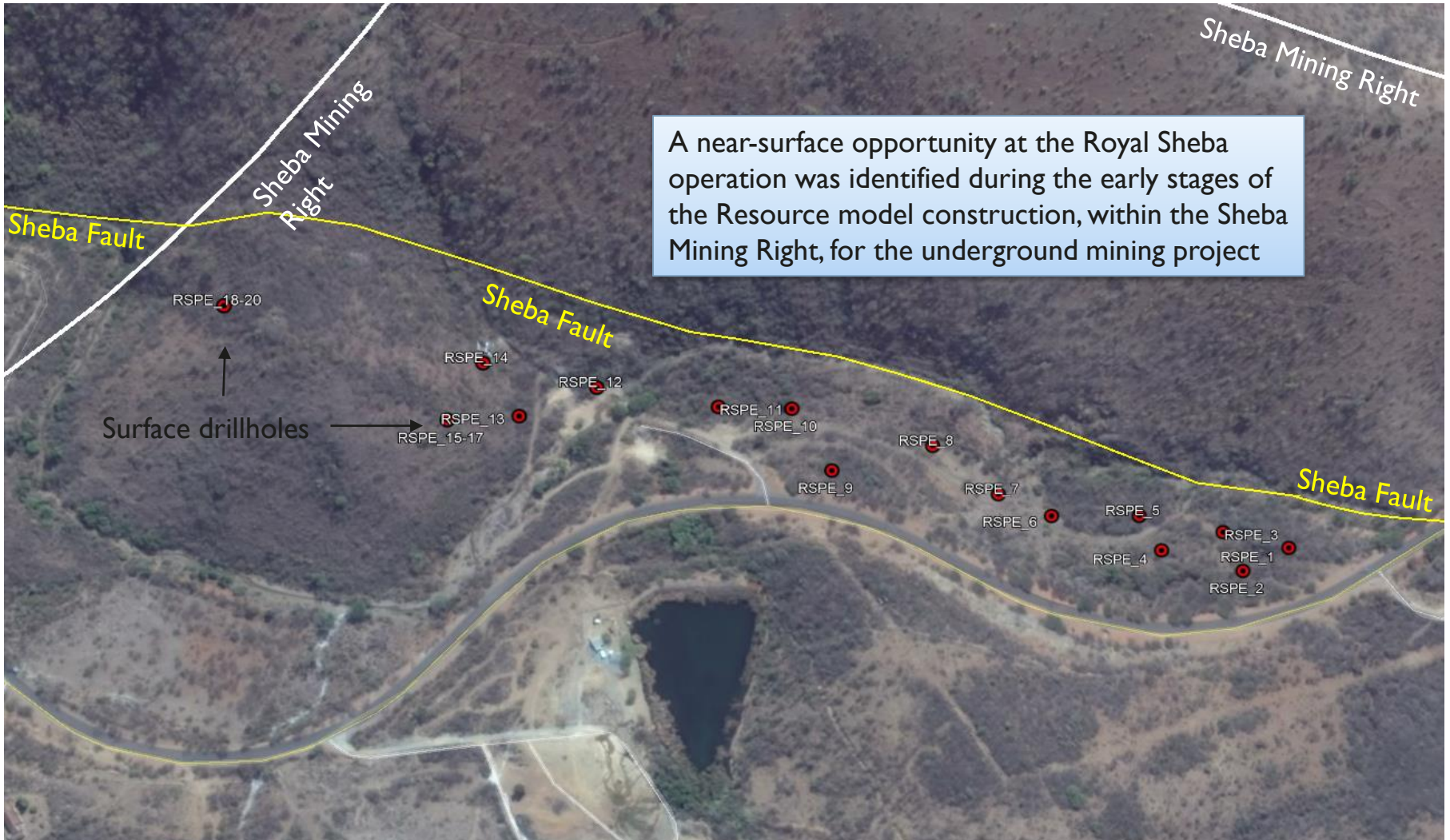
* Profile's stock exchange handbook: 2018 – Issue 3



VALUE-ACCRETIVE GROWTH

VALUE-ACCRETIVE GROWTH

Barberton Mines – Sheba Mining Right within current mining right boundary



VALUE-ACCRETIVE GROWTH



Royal Sheba – drill results

Drillhole Number	Intersection depth downhole (m)	Intersection depth below collar (m)	Full composite		Significant intersection	
			Corrected intersected width (m)	Average grade intersected (g/t)	Corrected intersected width (m)	Average grade intersected (g/t)
RSPE001	34.75	31.49	11.50	3.38	0.65	19.16
RSPE002	56.63	51.32	9.89	2.53	3.28	5.10
RSPE003	24.34	22.06	12.94	0.91	1.36	2.31
RSPE004	47.32	42.89	6.28	1.36	0.62	5.96
RSPE005	26.34	23.87	15.59	1.91	0.34	9.96
RSPE006	35.02	31.74	8.77	1.41	3.50	2.98
RSPE007	26.73	24.23	14.17	1.38	2.13	5.45
RSPE008	6.97	6.32	13.60	3.17	1.81	12.79
RSPE009	69.56	63.04	11.48	6.10	1.73	30.43
RSPE010	25.54	23.15	8.01	0.63	1.00	2.12
RSPE011	38.70	35.07	8.33	0.72	1.05	1.83
RSPE012	24.05	19.70	24.05	1.53	2.42	6.35
RSPE013			Awaiting results			
RSPE014	42.88	35.13	7.83	1.50	3.80	2.51
RSPE015	60.23	13.55	8.51	0.62	1.60	2.32
RSPE016			Awaiting results			
RSPE017			Awaiting results			
RSPE018*			Awaiting results			
RSPE019*	56.96	18.54	18.60	0.47	0.30	4.97
RSPE020*	92.54	67.68	8.84	0.33	1.23	1.71

* Drillholes drilled to test the westerly extent of the mineralisation. Results indicates zones of economical grade within the overall altered zone.

VALUE-ACCRETIVE GROWTH



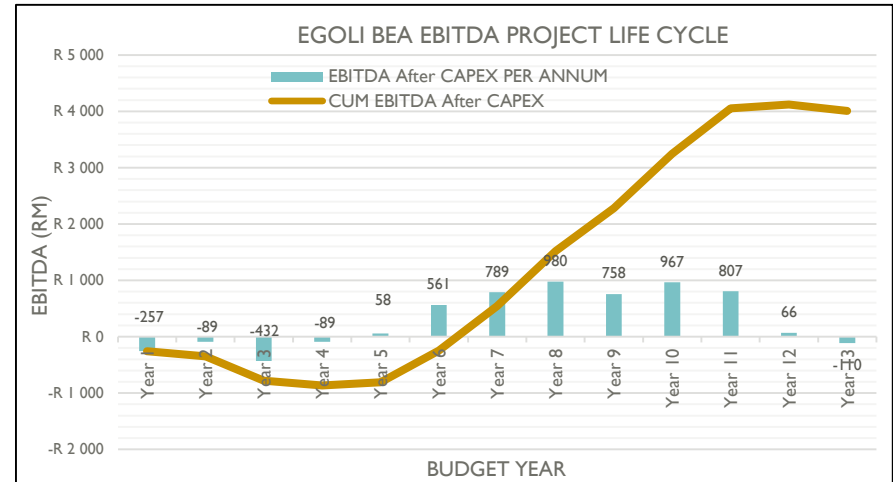
Egoli project overview

- An orebody adjacent to Evander’s No 7 Shaft infrastructure. The Project will use the established No 7 Shaft and metallurgical facilities, which are approximately 3km from the shaft infrastructure.
- Historical development at 7 Shaft has made ready access to the orebody possible within a relatively short timeframe coupled with low execution risk.
- The Project has more than one-million ounces of contained gold in measured and indicated categories.
- Following the closure of 8 Shaft, DRA Global has been mandated to review the mining feasibility study into the viability of the Project on a standalone basis including a new processing plant
- Subsequent optimisation studies have shown improved financial metrics for this project as shown hereunder. The confidence level of the optimisation study is being taken to feasibility level.

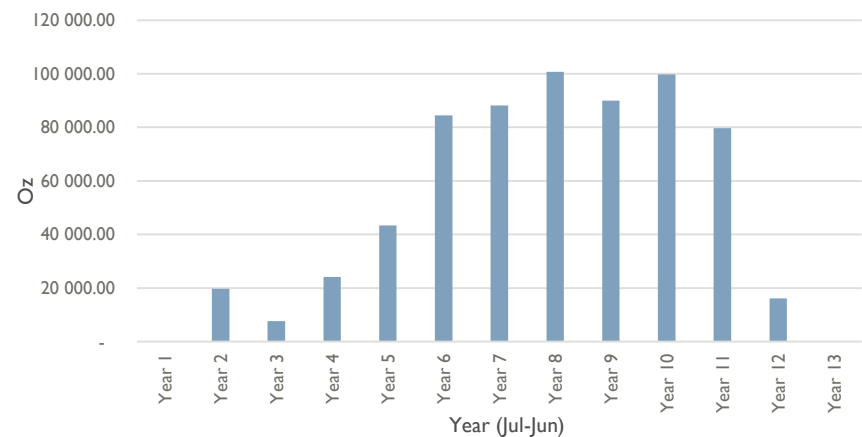
Key Metrics

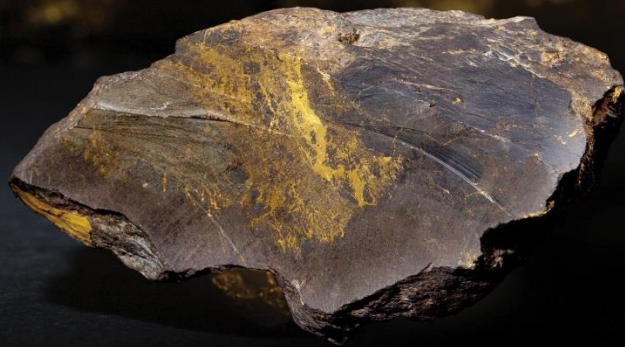
CAPEX Peak funding (R-million)	R 870.0
IRR (Real, pre-taxation)	34%
NPV (R mill) (Real, pre-taxation)	
@7.5%	R 1,779
@10%	R 1,354
@12.4%	R 1,036

Annual and cumulative free cash



LOM Production Profile (Gold ounces)





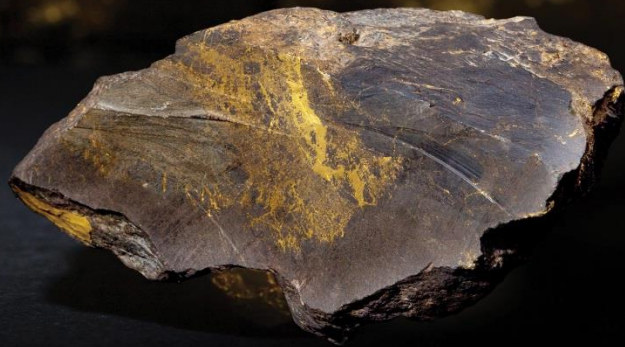
FOCUS FOR 2019



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2019 KEY DELIVERABLES

- Continuing to improve our safety performance, and ESG compliance across operations
- Delivering into gold production guidance of 170,000oz plus
- Ensuring Elikhulu delivers to expectations and incorporating ETRP's throughput into Elikhulu's processing capacity
- Increasing balance sheet flexibility and capacity
- Re-initiate dividend payments
- Growth opportunities
 - › Royal Sheba project
 - › Evander Mines' 8 Shaft pillar project
 - › Evander Mines' Egoli project
 - › Barberton Mines sub-vertical shaft



THANK YOU



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